



STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE AND ADMINISTRATION
729 CHURCH STREET
NASHVILLE, TENNESSEE

This notice is to advise you of information regarding the system used for processing pharmacy claims for the *TennCare Program*.

Please forward or copy the information in this notice to all providers who may be affected by these processing changes.

Provider Education Conference Call

Provider Conference Calls have been scheduled for July 26 and 27, 2005 to address processing questions resulting from the newly implemented preferred drug list. The format of this session will be Question and Answer. Due to the one hour time limit, please fax your questions to **First Health** at **615-253-5995** by Friday, July 22. Please note the following Conference Call dates and times:

- **Tuesday, July 26:** 3:00 p.m. to 4:00 p.m. CDST (4:00 p.m. to 5:00 p.m. EDST)
- **Wednesday, July 27:** 10:00 a.m. to 11:00 a.m. CDST (11:00 a.m. to 12:00 p.m. EDST)

Dial-in information for the Conference Call:

1. Conference Call toll-free access number: 800-824-7254
2. Guest Room number: 146208. You will be prompted to enter the guest room number.
3. While on the Conference Call, you may mute your phone by pressing the # button.

Preferred Drug List (PDL) for TennCare:

On July 1, 2005, TennCare began the process of updating the Preferred Drug List (PDL). Since then, changes have occurred to the PDL as new therapeutic classes have been reviewed. These changes will become effective on August 1, 2005. The PDL effective on 8/1/05 can now be viewed on the First Health /TennCare website. Please visit the First Health / TennCare website to download a copy of the new PDL effective 8/1/05 at https://tennessee.fhsc.com/Downloads/provider/TNRx_newPDLquicklist.pdf. **Please feel free to share the information with all TennCare providers.** The individual changes to the PDL are outlined below to make switching to a PDL drug easier for your patients.

PLEASE NOTE: The PDL which will become effective on August 1, 2005 will only be the interim PDL. Subsequent class reviews will be conducted in August. Once these classes are reviewed, they will be added or modified to the PDL. Once all medication classes have been reviewed, the final PDL will be mailed to all TennCare providers. As a result, please visit the First Health / TennCare website regularly to stay up-to-date on changes to the PDL.

CHANGES TO PDL EFFECTIVE 8/1/05:

- Alzheimer's Agents: Cholinesterase Inhibitors
 - New class to PDL
 - Cognex® and Razadyne® (formerly Reminyl®) will require a PA
- Alzheimer's Agents: NMDA Receptor Agents
 - New class to PDL
 - Namenda® will require a PA

- Antihyperkinesis Agents
 - New class to PDL
 - Adderall[®], Concerta[®], Desoxyn[®], Dexedrin Capsule SA[®], Dexedrine Tab[®], Pemoline, Provigil[®], Ritalin[®], Ritalin SR[®], and Strattera[®] will all require a PA
- Sedative Hypnotic Agents
 - New class to PDL
 - Ambien[®], Dalmane[®], Doral[®], Halcion[®], Prosom[®], Restoril[®], and Sonata[®] will all require a PA
- Anti-Emetic Agents: Antidopaminergics / Anticholinergics
 - Grouped into its own sub-class (previously under anti-emetics)
 - Tigan[®] and trimethobenzamide have been added to PA required agents (previously not on the list)
- Anti-Emetic Agents: 5-HT₃ Receptor Antagonists
 - Grouped into its own sub-class (previously under anti-emetics)
 - Kytril[®] and Zofran ODT[®] moved from PA required agents to preferred agents
 - Lotronex[®] was added to PA required agents (previously not on the list)
 - Kytril Solution[®] and Zofran Solution[®] were added to preferred agents (previously not on the list)
 - Emend[®] is now in its own class (please see “NK1 Receptor Antagonists”)
- Anti-Emetic Agents: NK1 Receptor Antagonists
 - New class to PDL (previously under “Oral Anti-Emetics”)
 - Emend[®] has moved from a preferred agent to a PA required agent
- Multiple Sclerosis Agents
 - New class to PDL
 - All agents are preferred
- Electrolyte Depletor Agents
 - New class to PDL
 - All agents are preferred
- Non-Ergot Dopamine Receptor Agonist Agents
 - New class to PDL
 - All agents are preferred
- Alpha Blockers for BPH
 - New class to PDL
 - All agents are preferred
- Androgen Hormone Inhibitor Agents
 - New class to PDL
 - Avodart[®] will require a PA
- Urinary Tract Antispasmodic Agents
 - Oxytrol[®] moved from a preferred agent to a PA required agent
 - Detrol[®] has been added to PA required agents (previously not on the list)
 - Urispas[®] has been removed from the list (previously a PA required agent)
 - Enablex[®] has been added to the PDL as a preferred agent (previously not on the list)
- Intranasal Steroids
 - Flonase[®] and Nasacort AQ[®] have moved from preferred to PA required
 - Rhinocort[®] has been removed from the list (previously under PA required)
 - Tri-Nasal[®] has been added to the list under PA required (previously not on the PDL)

GRANDFATHERING SCHEDULE

Grandfathering schedule for medications that are being removed from the PDL: TennCare will grandfather the following lists of medications that are being removed from the PDL. However, if there is an existing prior authorization in place for that medication, the PA will remain active through the current expiration date. Please inform your patients who are on one of these medications that switching to a preferred medication will decrease delays in receiving their medications. Also, encourage the recipients to talk with their prescriber about switching to a preferred medication in that respective class of drugs. Please attempt to process prescriptions for these medications as your patients may have previous Prior Authorizations in place for these medications.

Grandfathered Medications For Which Coverage Is Expiring On 8/31/05

DIABETES MELLITUS

BOLUS INSULINS

HUMALOG®

BASAL INSULINS OF HUMAN rDNA ORIGIN

HUMULIN L®

HUMULIN U®

SULFONYLUREAS AND COMBINATION PRODUCTS

AMARYL®

GLUCOTROL XL®

THIAZOLIDINEDIONES- ORAL ANTIDIABETIC

AVANDIA®

THIAZOLIDINEDIONES/METFORMIN

AVANDAMET®

OPHTHALMICS

ALPHA 2 ADRENERGIC AGENTS- GLAUCOMA

IOPIDINE®

BETA BLOCKERS

TIMOPTIC XE®

RESPIRATORY

SHORT ACTING BETA ADRENERGICS

ALUPENT®

BETA-ADRENERGIC AGENTS: NEBULIZER

ALUPENT®

XOPENEX®

BETA-ADRENERGICS: COMBINATION PRODUCTS

ADVAIR®

INHALED CORTICOSTEROIDS

PULMICORT TURBUHALER®

NON-SEDATING ANTIHISTAMINES

CLARINEX-D®

Grandfathered Medications For Which Coverage Is Expiring On 9/30/05

ANALGESICS

NSAIDS

ANAPROX DS[®]
INDOCIN SR[®]
MECLOMEN[®]

EC-NAPROSYN[®]
LODINE XL[®]
VOLTAREN[®]

CARDIOVASCULAR

ACE INHIBITORS

ALTACE[®]

MOEXIPRIL[®]

ACE INHIBITOR/DIURETIC COMBINATIONS

ACCURETIC[®]

UNIRETIC[®]

BETA BLOCKERS

INDERAL LA[®]

CALCIUM CHANNEL BLOCKERS (DHP)

ADALAT[®]

CARDENE SR[®]

CALCIUM CHANNEL BLOCKERS (NON-DHP)

CALAN SR[®]

CARDIZEM CD[®]

ISOPTIN SR[®]

THIAZAC[®]

Grandfathered Medications For Which Coverage Is Expiring On 10/31/05

ALZHEIMER'S AGENTS

CHOLINESTERASE INHIBITORS

COGNEX[®]

RAZADYNE[®] (FORMERLY REMINYL[®])

NMDA RECEPTOR AGENTS

NAMENDA[®]

ANTIHYPERKINESIS AGENTS

ADDERALL[®]

CONCERTA[®]

DESOXYN[®]

DEXEDRIN CAPSULE SA[®]

DEXEDRINE TAB[®]

PEMOLINE

PROVIGIL[®]

RITALIN[®]

RITALIN SR[®]

STRATTERA[®]

ANDROGEN HORMONE INHIBITOR AGENTS

AVODART[®]

URINARY TRACT ANTISPASMOTIC AGENTS

OXYTROL[®]

DETROL[®]

INTRANASAL STEROIDS

FLONASE[®]

NASACORT AQ[®]

TRI-NASAL[®]

TENNCARE ELIGIBILITY CHANGES:

Closed Enrollment

On April 29, 2005 enrollment was closed into the TennCare Standard program (the waiver/expansion population). The only exception is that children under age 19 can still “roll over” from Medicaid to TennCare Standard if they meet the eligibility requirements for TennCare Standard.

Also on April 29, 2005, the non-pregnant adult Medically Needy (also called “Spend Down”) category was closed. The Medically Needy program remains open for children up to age 21 and pregnant women who meet the eligibility requirements.

All other TennCare Medicaid categories remain open to new enrollment.

Loss of TennCare Coverage

The following groups of TennCare enrollees will be losing their TennCare coverage:

1. TennCare Standard Adults (defined for this purpose as 19 or older). This includes:
 - a. Uninsureds
 - b. Uninsurables (also called “Medically Eligibles”)
 - c. Waiver duals (meaning people who are eligible for TennCare and Medicare but not Medicaid)
2. Medically Needy adults (defined as 21 or older) who are not pregnant

Group #1 above, received a notice in early June explaining that they had 30 days to provide information to the Department of Human Services (DHS) to help determine if they might qualify for one of the Medicaid categories that continues to be open to new enrollment. If they do not respond in the time frame or are found not to qualify for Medicaid, this group will receive a second notice informing them that they will lose coverage in 20 days. Special outreach is occurring to the Seriously and/or Persistently Mentally Ill (SPMI) population and “good cause” extensions to the 30 days to provide information to DHS may be granted to these enrollees or others in special circumstances. If you have patients with questions about the disenrollment process, please refer them to their local DHS office or to the DHS Family Assistance Center at 1-866-311-4287.

Group #2 above will lose their TennCare coverage when their current period of eligibility ends unless they qualify for another open Medicaid eligibility category at that time. Eligibility in the Medically Needy category is granted for 12 months at a time. As a result, the enrollees in this category will lose their coverage in the Medically Needy category over the course of the next year, depending on when they were granted their 12 months of coverage.

BENEFIT CHANGES EFFECTIVE AUGUST 1, 2005:

Non-Covered Services

- **Who** - TennCare adults (defined as 21 and older in both Medicaid and Standard)
- **Description** – The following services will no longer be covered for adults:
 - Dental Services
 - Methadone Clinic Services
 - Private Duty Nursing – except that medically necessary private duty nursing for patients on ventilators will still be covered as a component of ventilator services
 - Over the Counter (OTC) Drugs – except that prenatal vitamins for pregnant women and any OTC drug designated as “preferred” on the Preferred Drug List (PDL) will still be covered. Please download a copy of the OTC coverage list at:
<http://tennessee.fhsc.com/providers/documents.asp>
 - Convalescent Care Services
 - Sitter Services

Elimination of Pharmacy Benefit

- **Who -**
 - TennCare Standard Adults (defined for this purpose as 21 or older). This includes:
 - Uninsureds
 - Uninsurables
 - Waiver duals
 - Medically Needy (spend down) adults (defined as 21 or older) who are not pregnant or not in long term care.
- **Description -** Enrollees age 21 and over who will be losing their TennCare coverage as a part of reform will no longer have coverage for prescription drugs except that Medically Needy enrollees in long term care will continue to have an unlimited pharmacy benefit until they lose eligibility.

Prescription Limit

- **Who -**TennCare Medicaid adults (defined as 21 or older) who are not in an institution or Home and Community Based Services (HCBS) waiver will be subject to a monthly prescription limit. Exception – as noted above, non-pregnant Medically Needy adult enrollees who are not in an institution or HCBS waiver will have no pharmacy benefit.
- **Description -**
 - Every calendar month the affected enrollees will be limited to 5 prescriptions and/or refills, of which no more than 2 can be brand names
 - TennCare has developed a list of medications, commonly referred to as the “Short List”, that do not count towards the prescription limit and that will continue to be available to the enrollee after the limit has been hit.
 - The “Short List” is applicable *only* to persons who have pharmacy coverage with a monthly limit. Persons who have no pharmacy coverage pending disenrollment may not obtain drugs on the short list.
 - The pharmacy Point-of-Sale system (POS) will recognize Short List drugs and assure that they are not counted toward the limit. The Short List can be downloaded from the TennCare/First Health website at https://tennessee.fhsc.com/Downloads/provider/TNRx_Short_List.pdf.
 - The POS system will also enable the pharmacist to determine when a claim is denied because of the prescription limit. The rejection will be an NCPDP code of 76, “Plan Limitations Exceeded” with a supplemental message of “Monthly limit of 5 scripts exceeded”. The message that will be returned for the third brand script will be “Monthly limit of 2 brand scripts exceeded”.
 - Pharmacies may bill enrollees for prescriptions over the prescription limit; however, the pharmacy should always attempt to process the prescription and receive the “over the limit” denial before billing the patient.
 - In rare circumstances, the TennCare PDL may list only brand name drugs as preferred agents in a drug class in which generic drugs are available. In such cases, the preferred brands will be treated like generics in that they will not count toward the 2 brand per month limit and they will not carry the brand co-pay (see below).
 - Clozapine and Clozaril® will only be counted toward the prescription limit for the first fill each month.

Pharmacy Co-pay

- **Who -**
 - TennCare Medicaid adults (defined as 21 or older) who have a pharmacy benefit and who are not in an institution or HCBS waiver. Exceptions:
 - Pregnant women
 - People receiving hospice care
 - TennCare Standard Children at or above 100% of the federal poverty level

Note: Pregnant women and people receiving hospice care will need to self-declare at the pharmacy in order to be exempt from the co-pay. The pharmacy may override the copay for a pregnant recipient by submitting a “2” in the Pregnancy Indicator field (NCPDP field 335-2C). The pharmacy may override the copay for a recipient in hospice care by submitting an “11” in the Patient Location field (NCPDP field 307-C7).

- **Description -**

- Brand name medications will have a \$3.00 copay per prescription
- Generic medications will have no co-pay
- Family planning drugs will not be subject to the co-pay
- The pharmacy system will determine the co-pay based on the above rules
- Enrollees cannot be denied services for failure to make a co-pay
- A claim for a multi-ingredient compound will receive a Brand co-pay
- In rare circumstances, the TennCare PDL may list only brand name drugs as preferred agents in a drug class in which generic drugs are available. In such cases, the preferred brands will be treated like generics in that they will not count toward the 2 brand per month limit and they will not carry the brand co-pay
- Clozaril® and clozapine will be subject to co-pay for only the first fill each month.

WHAT YOU CAN DO TO ASSIST PATIENTS SUBJECT TO PRESCRIPTION LIMITS:

1. Coordinate with other providers serving the patient to identify all medications the patient is on and to determine if all continue to be needed.
2. Whenever possible, prescribe generic drugs.
3. Keep a copy of the Short List in your office (and check the First Health or TennCare website at <http://tennessee.fhsc.com> or www.tennessee.gov/tenncare/pdlinfo.htm regularly for updates so that you are aware and can advise your patients of drugs that don't count toward the 5 prescription limit).
4. Remind your pregnant patients to let the pharmacist know they are pregnant so they won't be subject to co-pays.
5. Remind your hospice patients to let the pharmacist know they are receiving hospice care so they won't be subject to co-pays.
6. If your patient requires more than 5 drugs or 2 brands per month, advise them to consult with their pharmacist to obtain assistance identifying the most expensive drugs to submit to TennCare for payment.

ADDITIONAL PHARMACY PROCESSING CHANGES:

1. If a pharmacy provider dispenses a 3 day “interim” supply of medication using a Grier Code of “8”, and is successful in contacting the prescriber to change the medication, the subsequent “new” prescription will not be counted against the recipient’s monthly script limit, as the “interim” supply would already have been counted against the monthly script limit. Either of the following procedures will need to be followed:
 - A provider may contact the Technical Call Center to request an override to exempt a prescription from the monthly script limit if the provider has appropriately contacted the prescriber resulting in a change to the initially prescribed medication. The subsequent “new” prescription would then not be counted against the recipient’s monthly script limit.
 - OR**
 - A provider may submit the value of ‘5’ in the Submission Clarification Code (42Ø-DK) field on the incoming claim to exclude the claim from the monthly script limit. Any ‘5’ should override only the Script Limit edit. When the Grier Override Code of ‘5’ is used, it will be allowed by the system to match only with a Grier Override Code of ‘8’ to which no other ‘1’ or ‘5’ has been matched.
 - In addition, the incoming claim must not contain the Grier Code of “8” (Indicating the provider has simply switched to another non-preferred product.)

2. The tolerance for early refills will be increased from 75% to 85% on August 1, meaning that 85% of the days supply must elapse before a refill will process. This will apply to all medications except prescriptions containing hydrocodone, which will remain at 87%.
3. With the prescription limits being based on the calendar month, filling prescriptions with a 31-day supply is recommended to prevent recipients from exceeding their monthly limit. Please encourage your prescribers to write for a 31-day supply to prevent this from happening.
4. The multi-ingredient compound pricing has been updated. If you experienced an error in pricing during the time period between June 7 and June 17, please reprocess your compound claim. If you continue to have pricing problems, please contact the First Health Technical Call Center.

Please contact the First Health Technical Call Center at 866-434-5520 with any questions concerning these changes in the TennCare pharmacy program. The First Health Clinical Call Center can be reached at 866-434-5524 or by fax at 866-434-5523. The TennCare Fraud and Abuse Hotline is 800-433-3982.

Thank you for your participation in the TennCare program and your commitment to assist your patients as we implement the reforms necessary to bring program costs in line with available funding.

Please forward or copy the information in this notice to all providers who may be affected by these processing changes.